EXHIBIT R

Preston|Gates|Ellis up

April 7, 2004

Linda Q. Foy Howard, Rice, Nemerovski, Canady, Falk & Rabkin, P.C. Three Embarcadero Center, Seventh Floor San Francisco, CA 94111-4024

Re: Valve Corporation v. Sierra Entertainment Inc., et. al.

CR 37 Conference

Dear Linda:

This is in response to your letter of today, April 7, 2004. We received your letters of March 29, and responded on March 31, stating that we were investigating your concerns and were drafting reply letters. We are still working on this reply, which we expect will be completed shortly, and will be happy to meet and confer as soon as you have had a chance to review our response. We are available at 1 p.m. on Monday, April 12 or Tuesday, April 13 for the CR 37 conference.

We are unaware of a second CR 37 request from you, as we have not received any communication from you since March 29.

Very truly yours,

PRESTON GATES & ELLIS LLP

Jason P. Holtman

JPH:kib

cc: Valve

K:/36063/00014/KJB/KJB_L20OP